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Management Services

2002/03
Annual Service Plan Report

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For more information on the British Columbia Ministry of Management Services, contact:

Corporate Services
PO BOX 9451
STN PROV GOVT
VICTORIA, BC
V8W 9V7

Or visit the Ministry of Management Services Web site at
www.gov.bc.ca/mser

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Accountability Statement

The 2002/03 Ministry of Management Services Annual Service Plan Report was prepared under my direction and in accordance with the *Budget Transparency and Accountability Act*.

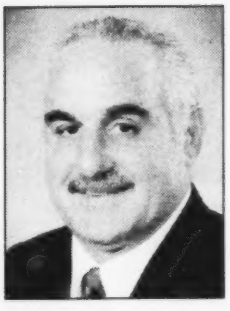
This report compares the actual results to the expected results identified in the ministry's 2002/03 Service Plan. I am accountable for the ministry's results and the basis on which they have been reported.

Honourable Sandy Santori
Minister of Management Services

June 6, 2003

BRITISH COLUMBIA

Ministry of Management Services



The challenge given to the Ministry of Management Services in June 2001, was to create a "shared services" model for the delivery of corporate transactional and administrative services to the public sector.

Simply put, shared services means that all ministries share a common set of support services (finance, information technology, payroll, and procurement and supply) rather than duplicating these functions across ministries. The goal is to provide these services in a cost-effective and customer-centred manner, while allowing individual government ministries to focus their resources and energy on delivering core programs and services to the citizens of British Columbia.

Over the past year, the Ministry of Management Services has made significant progress towards achieving this goal with the successful completion of the planning phase for the implementation of a shared services organization. A key component of this planning phase was the successful transfer of payroll services, information technology desktop and helpdesk services, and the Corporate Accounting Service from their respective ministries to the Ministry of Management Services. Staff from these areas, along with staff from Procurement and Supply Services, and the balance of staff in the Ministry's Common Information Technology Division, now form Solutions BC — the government's shared services organization — which was launched April 1, 2003.

While consolidation is a significant component of a shared services model, the Ministry also implemented other key strategies employed by successful shared services organizations, including streamlining and standardizing processes, introducing technology improvements and establishing a cycle of continuous improvement. This report provides examples of how these strategies are being applied within the Ministry.

The Ministry of Management Services is also charged with ensuring increased openness and competition in government tendering and procurement. This year, major headway was made on the government's *New Era* Procurement Reform agenda with the introduction of new legislation, a new policy framework, training and educational program pilots and use of more sophisticated procurement methodologies.

Freedom of Information and Protection of Privacy legislation was also amended to ensure that British Columbians continue to benefit from what is considered one of the most progressive and best protection and access Acts in Canada.

Over and above these undertakings, the Ministry has embarked on a major transformation designed to improve the way government services are delivered to British Columbians.

In February, the planning and delivery for all corporate electronic and face-to-face services were brought together under the Ministry of Management Services. By integrating all corporate service delivery channels in one ministry, Management Services is now positioned to be an effective catalyst for change. This shift to a coordinated and integrated approach will be achieved through the use of leading practices and creative service delivery models. It will result in British Columbians being able to access the information they need in a way that makes sense and is convenient for them — whether by telephone, mail, over the counter or on the Internet.

This report provides further information and evidence of the activities and accomplishments achieved by the Ministry of Management Services over the past year. Ministry staff have worked diligently and enthusiastically to implement effective strategies and programs. I am confident that this momentum will continue and that the Ministry's on-going transformation will better serve government and the public.

Honourable Sandy Santori
Minister of Management Services

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Year-at-a-Glance Highlights

A number of significant developments occurred within the Ministry of Management Services in 2002/03. Most notably, the Ministry fulfilled its core review commitment by making two key strategic shifts: moving from a multiple service provider approach to a single service provider model for the delivery of corporate support and transactional services; and moving from a combined governance/service delivery model to a separation of governance from service delivery for shared services. Achievements related to these strategic shifts, as well as other Ministry activities, are highlighted below.

- Planning for the implementation of a shared services organization was successfully completed. From September 2002 to March 2003, the transfer and consolidation of Payroll Services, IT desktop and helpdesk services, and the Corporate Accounting Service from their respective ministries to the Ministry of Management Services took place. The transfer of staff marked a major milestone towards the creation of a shared services organization.
- One of the key characteristics of the shared services approach is the creation of Service Level Agreements between the clients and the shared services organization. In 2002/03, an overarching Service Agreement was negotiated with client ministries. The Service Agreement establishes roles and responsibilities (including principles of service delivery) and defines the services to be provided.
- Streamlining processes and introducing enabling technology are two other key features of the shared services model. To this end:
  - — Payroll Services modernized the payroll process with the successful realignment of the pay period for government employees;
  - — In March 2003, Payroll Services also successfully launched the Employee Self-Service pilot. Employee Self-Service allows employees to view their pay advices, leave balances and personal information online;
  - — The new BC Bid http://www.bcbid.gov.bc.ca/open.dll/welcome upgrade was launched in February 2003, enabling two-way electronic bidding — a major step towards a fully integrated and paperless procurement, payables and payment process. BC Bid is a one-stop window for suppliers to access public sector procurement opportunities. Over the last two years, BC Bid has seen a 56 per cent increase in posted opportunities and more than a 50 per cent increase in public sector buyers. On the first electronic tender posted, more than 50 per cent of responses from suppliers were electronic.
  - — iExpenses was implemented across government to process employee travel claims. In addition to improving the process for the creation, approval and payment of travel claims, iExpenses has improved reporting for individual and public accounting. Most employees who travel on a regular basis are now using iExpenses (over 22,000 government staff). It is expected that up to 125,000 travel claims will be processed annually using iExpenses.
  - — In 2002/03 all government print shops were consolidated under Queen's Printer management, resulting in increased efficiencies and more cost-effective delivery of print services for government.

  - The Common IT Services (CITS) division implemented online access as one approach to streamlining and standardizing IT service requests and improving internal tracking.
  - CITS also created new electronic forms that enabled government ministries to conduct 100,000 government transactions electronically rather than on paper.
- In support of separating governance from service delivery, in October 2002, procurement governance was transferred from the Ministry of Management Services to the Ministry of Finance, under the Office of the Comptroller General. This separation of governance from delivery allows the service deliverer to focus more effectively on the needs of the client.
- The Ministry fulfilled its commitment to implement an electronic system for searching legislation with the launch of QP LegalEze http://www.qplegaleze.ca/. QP LegalEze is a web based subscription service that offers the legal community and other professionals complete and comprehensive access to British Columbia's legislation from the official source; authoritative Regulations; and quick search results. The creation of QP LegalEze increases public accessibility to all provincial statutes (currently over 500) through the public library system.
- Within the Procurement and Supply Services area, revenues from the broader public sector increased more rapidly than anticipated — reaching a level of 26 per cent of total revenues.
- CITS adopted industry best practices for operating an IT service delivery organization to enable performance comparisons with other jurisdictions.
- CITS assumed responsibility for all IT infrastructure assets (40,000+) and all IT infrastructure contracts (200+) from ministries as part of the move to a shared services model.
- During 2002/03, the Legislature passed three amendments to the *Freedom of Information and Protection of Privacy Act* (FOIPP). These changes will improve privacy protection, increase openness and accountability and reduce overall compliance costs.
- Legislation to protect the personal information of BC citizens held by the private sector was prepared for introduction in 2003/04. The *Personal Information Protection Act* legislation will permit businesses and non-profit organizations to collect, use, disclose and share personal information for legitimate and reasonable purposes.
- Major components of the government's *New Era* Procurement Reform agenda were completed including: new legislation, a new policy framework, training and educational program pilots, more flexible contract language and expanded use of more sophisticated procurement methodologies.
- BC Stats, the central statistical agency of the Province of British Columbia, has the provincial government's largest concentration of statistical products, services and expertise. A key goal of BC Stats is to make information more accessible. As part of this initiative, the BC Stats E-store http://www.bcstats.gov.bc.ca/store.htm was launched. The E-Store provides service 24 hours, seven days a week, to clients both inside and outside government.
- BC Archives http://www.bcarchives.gov.bc.ca/general/backgrnd.htm established the Canadian Archival Information Network project to describe and make accessible the archival records of 55 BC government bodies. It also increased and expanded client access

to British Columbia's documentary heritage. A new search engine allows access to 10,000 new and updated entries online.

- Since its launch on August 15, 2001, the Waste Buster web site www.wastebuster.gov.bc.ca <http:/www.wastebuster.gov.bc.ca> has had approximately two million hits and has received close to 7,500 submissions. The Waste Buster program focuses on improving processes to save money, boost performance and enhance public confidence in government. To date, savings total approximately $1.8 million.

Ministry Role and Services

The Ministry of Management Services plays a key role in the implementation of government's priorities. Its job is to bring down the costs of government's internal operations so that resources can be freed up for direct services to the taxpayers of British Columbia. Its main focus is to implement a shared services delivery model for government and expand it to the broader public sector. This initiative will eliminate administrative duplication and reduce costs while providing quality service in the areas of finance, administration, information technology, procurement and other common services.

Vision

British Columbia has the most cost-effective, innovative and responsive support services in Canada for delivering government services to the public.

Mission

To provide shared support services and high quality corporate programs for government's internal operations to better enable government to serve the people and businesses of British Columbia.

Values and Principles

In pursuing our mission and mandate, we will remain committed to the following values and principles, which will guide all our activities and provide the foundation for our success as an organization.

Values

Honesty	Integrity	Responsibility
Fairness	Teamwork	Accountability

Principles

Client-focused	We value and involve our internal and external clients and strive to remain responsive to their needs.
Cost-competitive	We provide effective and streamlined services that are cost-competitive with similar agencies.
Results-oriented	We recognize the importance of measuring our performance, providing demonstrable value for our clients and remaining accountable for results.
Innovative	We champion staff creativity and best practices to remain adaptive to our environment.
Teamwork	We strive to develop a high-performance culture that recognizes the value of collaboration and rewards both individual and collective achievements.
Partnerships	We appreciate the importance and benefit of partnerships within the Ministry and with other ministries, Crown corporations and businesses.
Healthy Workplace	We operate in a manner that promotes mutual respect, integrity and a culture of personal and professional development.

Public Service Appeal Board

The Board is responsible for upholding the principle of merit in the job competition process in the public service. It hears and rules on appeals from employees who are unsuccessful applicants for public service jobs and has the power to have appointments rescinded and reconsidered. The Board has two part-time members, and a part-time Chair and is supported by a Registrar. Under the *Public Service Act*, the Board has the power to appoint members to hear one or more appeals.

Achievements of Performance Targets for 2002-2003

Target: To rule on appeals from employees who are unsuccessful applicants in public service competitions.

Progress:

- The Board continues to refine its Early Dispute Resolution process. Seventy-six per cent of appeals filed this fiscal year were resolved without the need of a hearing.
- A total of 51 appeals were filed during fiscal 2002/03, down from 151 the previous year.

Ministry Operating Context

Macro-Trends

- Fluctuations in international, national and provincial economies will require governments to ensure that their activities are focused, effective and sustainable.
- The speed of technology and communications will continue to accelerate.
- Public values will continue to emphasize greater transparency, accountability and improved service from government, all for less money.
- Globally, private and public sector use of the shared services model for support and transactional services continues to expand.

Key Challenges

- Support services will be dependent upon client service standards that are consistent, competitive and transparent.
- As ministry purchases of shared services decline in volume as a result of workforce adjustment, the shared services organization will increasingly be faced with the challenge of covering fixed costs of infrastructure while dealing with diseconomies of scale.
- External clients to government will continue to be a diverse and complex group.

Key Opportunities

- Effective stewardship of resources will encourage ministries to collaborate in shared services initiatives.
- Partnerships within the Ministry and with other agencies will enhance flexibility and transparency in the delivery of services.
- Opportunities can be created for broader public sector clients (including other levels of government) to participate in shared services.
- Best practices amongst high performing private and public sector agencies can be adopted to improve business practices and performance.
- Monitoring and reporting of performance results can identify opportunities for improvement and allocate resources more effectively.

Update on *New Era* Commitments

New Era Commitments Achieved

- The Ministry reviewed Information and Privacy legislation and introduced amendments designed to improve privacy protection, increase openness and accountability and reduce overall compliance costs.

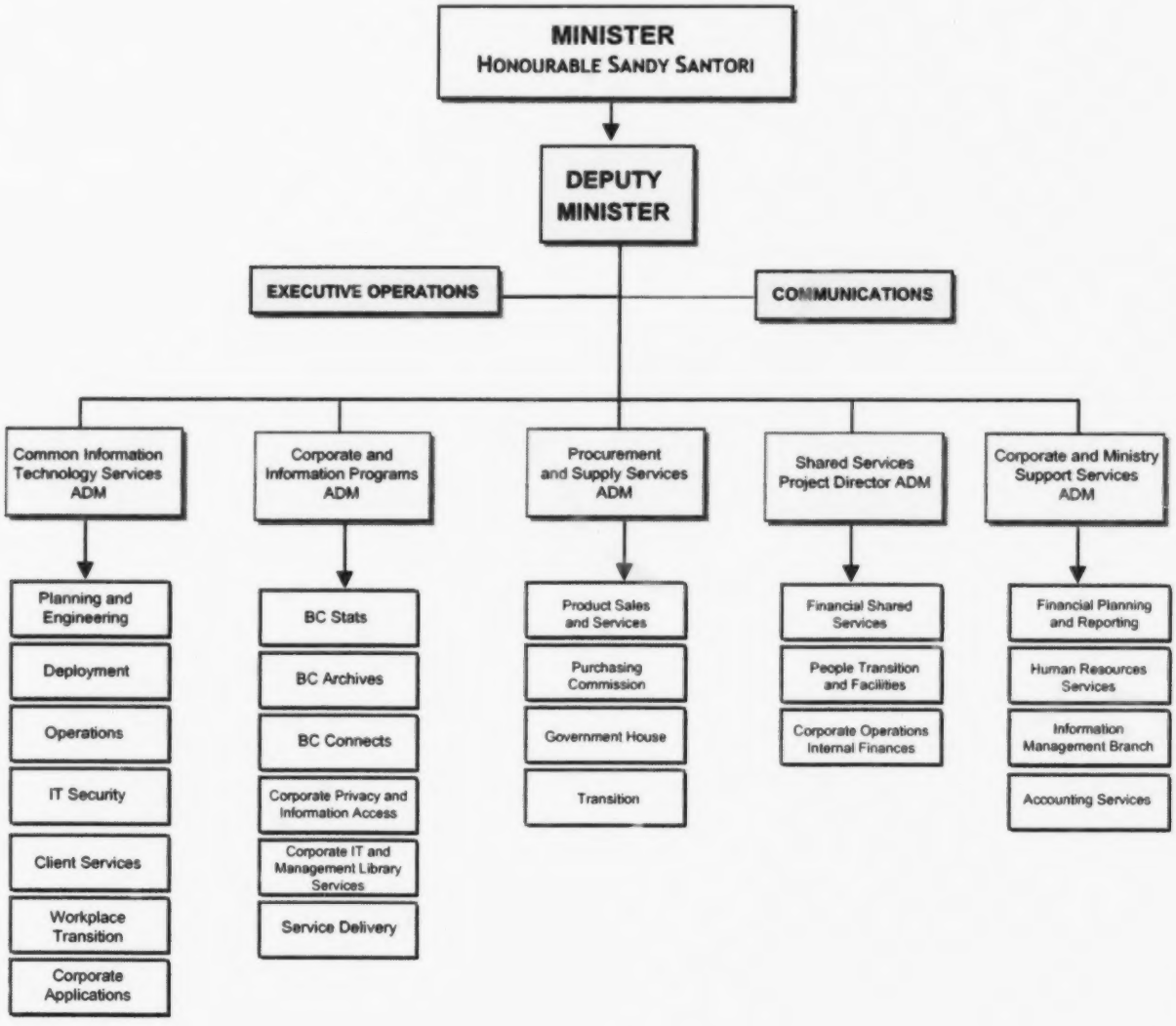
Ongoing *New Era* Commitments

- The Ministry completed the planning for the implementation of a program for delivering shared services. The new shared services organization, which commenced operations April 1, 2003, will work to eliminate administrative duplication and reduce costs.
- The Ministry is addressing longer-term procurement reform through a whole suite of activities including legislation, policy, training and education to increase public-sector capacity to open procurement practices.
- The Ministry is cutting the cost of paper flow by digitizing all possible government data, forms and information.

Core Business Areas

Since June of 2001, the Ministry of Management Services has been reviewing and aligning its programs in order to support and manage government's internal operations. The Ministry has a budget of $38.57 million, with a number of functions operating in a $1000 vote structure and a Full-Time Equivalent allocation of 1,139.

ORGANIZATION CHART



The Ministry was created primarily to provide key corporate support services to the public sector by implementing a "shared services" model. Shared services refers to the practice of business units within organizations sharing a common set of required support services rather than having a series of support functions duplicated in each business unit. Costs of shared services are reduced over time through a combination of efficiencies from consolidation, business streamlining and related policy change, and technological improvements. The Ministry's Procurement and Supply Services division (which now includes Payroll Services and the Corporate Accounting Service) and the Common Information Technology Services division, comprise the shared services organization — Solutions BC — which was launched in April 2003.

Management Services clients and customers include:

- Provincial Ministries
- Crown Corporations
- Federal and other provincial government agencies
- Schools and universities
- Regional Health Authorities
- Municipalities
- General Public

In order to realize our mandate and achieve our strategic direction, the Ministry has established the following four core business areas:

Procurement and Supply Services:

Provides value-added supply solutions to government, largely on a fee-for-service basis. These include: the acquisition of goods and services; operation of the BC Bid system to post and manage opportunities for public sector contracts; provision of printing and publishing services; mail and related information distribution services; management of the intellectual property program; warehousing; corporate supply and distribution of office supplies, medical supplies and pharmaceuticals, uniforms and other specialty products; disposal of surplus assets; light vehicle fleet management; and employee re-location services.

Except for $4.44 million in voted appropriations, all existing services are fully cost recovered through billings to clients. The division operates with an FTE allocation of 439. Over 26 per cent of the division's revenues are currently derived from other public sector organizations.

In 2002/03:

- BC Mail Plus http://www.bcsolutions.gov.bc.ca/bcmail/ processed and distributed over 20 million pieces of mail. It also provided mail list management for over 110,000 addresses. Over 20 per cent of BC Mail Plus's customers are in the broader public sector.
- Over 4,000 bid notices were posted on the BC Bid site http://www.bcbic.gov.bc.ca/open.dll/welcome.

- Over $398 million in goods and services were purchased through Purchasing Services.
- Queen's Printer http://www.bcsolutions.gov.bc.ca/qp/ printed over 9,500 jobs. Planning and design of printing jobs offers cost saving alternatives to clients.
- The creation of QP LegalEze http://www.qplegaleze.ca/, the government's web based system for searching legislation, increased public accessibility to over 500 statutes.
- The BC Publications Index http://www.publications.gov.bc.ca/ added over 500 links to the Publications site, bringing the total number of publications to over 7,000.

Common Information Technology Services (CITS):

Most of government's mission-critical programs, such as court operations, require support from one or more of the IT services provided by CITS. These services also support network connectivity for schools, pharmacies and all government offices across the province. In all, CITS provides information technology (IT) infrastructure services to 492 client organizations made up of 50,000 end-users, across 3,500 locations throughout British Columbia. This includes all government ministries and those organizations in the broader public sector electing to participate in shared services offerings. Services include: voice and data networks; workstation support; information technology helpdesk services; shared data processing; application hosting (servers); electronic mail; common application software support; security and anti-virus protection; e-government infrastructure; and consulting services. Except for $4.17 million in voted appropriation, all existing services are fully cost recovered through billings to clients.

In 2002/03, CITS:

- Amalgamated all government IT Infrastructure (40,000+ assets and 200+ contracts) under shared services to create economies of scale;
- Provided electronic storage, transport and processing capacity for more than 100 tetrabytes of data (equivalent to 50 billion printed pages);
- Stopped more than 300,000 viruses, preventing disruption to public services; and
- Created new electronic forms that enabled government ministries to conduct 100,000 government transactions electronically rather than on paper.

Corporate and Information Programs:

Provides consolidated corporate programs that support specialized functions, not duplicated elsewhere in government. The programs have common themes and a foundation that is built on information management, including privacy protection, service provision, and access. These programs manage legislation and provide policy and professional advice, tools, resources and services that enhance accountable decision-making, and increase public access to programs and information. Corporate and Information Programs also provides an integrated, multi-channel service for ensuring public access to government programs, services, information and opportunities, while protecting privacy. Corporate and Information Programs has an FTE complement of 137 and an operating budget of just over $11.0 million.

In 2002/03:

- The BC Connects website http://www.bcconnects.gov.bc.ca/ was able to offer 560 services; up from 180 when it was launched in March 2001.
- BC OnLine https://www.bconline.gov.bc.ca/ provided electronic access to over five million transactions for business and government users and the BC OnLine Help Desk achieved a 95 per cent satisfaction rating.
- Enquiry BC http://www.mser.gov.bc.ca/prgs/enquiry_bc.htm responded to over one million inquiries with an overall satisfaction rating of 97 per cent. In response to requests from citizens in the Mountain Time Zone, the Enquiry BC Call Centre adjusted its operating hours to open at 7:30 PST.
- BC Archives http://www.bcarchives.gov.bc.ca/general/backgrnd.htm launched a new search engine, allowing access to 10,000 new and updated entries online.

Corporate and Ministry Support Services

Provides the Ministry of Management Services, as well as a number of other agencies and ministries, with financial administration, personnel management, information technology management, staff development and training, and other related services.

Performance Reporting

The Ministry of Management Services was formed in 2001. Over the course of 2001/02 and 2002/03, the Ministry underwent significant transformation as related activities were brought together. As the Ministry moves to a more client-centred and responsive service-delivery approach in 2003/04, performance measures will continue to be refined.

For 2002/03, the Ministry of Management Services identified five goals that are derived from its mandate and the direction received from government.

All of the data used to develop and report on the following performance measures were derived from the Ministry's internal information systems and comply fully with government accounting policies and practices.

Goal 1: Taxpayers get value from the way government runs its internal operations

The province's taxpayers expect that government programs and services will be delivered cost-effectively. Implementation of the shared services organization will provide good value by reducing duplication as well as streamlining and standardizing policies and workflow processes, introducing technology improvements and establishing a cycle of continuous improvement.

Objectives:

- Delivery of support services is responsive, competitive and accountable.

Core Business Areas:

- Procurement and Supply Services
- Common Information Technology Services

Strategies:

- Identify Shared Services opportunities by service area
- Develop benchmarking, performance and evaluation criteria
- Design and implement Shared Services initiatives to reduce costs
- Expand Shared Services to the broader public sector

Performance Measure	2002/03 Target	2002/03 Actual	2003/04 Target	Variance
Comparison of Shared Service unit costs to similar public and private sector organizations	—	—	Establish baseline	None

Planning for benchmarking exercises for Finance and Administration, Common IT Services and Procurement and Supply Services began in 2002/03. Benchmarking exercises will be conducted by the end of fiscal 2003/04 and the results will be reported.

Performance Measure	2002/03 Target	2002/03 Actual	Variance
Early implementer shared services savings to government	($0.588) million	($0.588) million	None

Prior to entering the planning phase for the creation of a shared services organization, the Ministry of Management Services received approval from Treasury Board to proceed with "early implementer" projects, including: Application Servers; Workplace Support; Shared File and Print Servers; Payroll Services; and Travel Voucher Processing (iExpense).

These projects were designed to proceed to implementation stage before shared services became fully operational. The early implementer projects projected an operating loss of $1.0 million in 2002/03, moving to projected savings in 2003/04. The projected losses for the early implementer projects were less than anticipated due to deferral in implementing some components of the IT projects. As a result, the target has been adjusted to reflect the actual loss.

Performance Measure	2002/03 Target	2002/03 Actual	Variance
Satisfaction rating of shared services clients[1]	Establish baseline	Baseline established at 52.5%	None

[1] The measure set out in the 2002/03 Service Plan called for baselining the satisfaction of customers. Customers are defined as those people who use a service provided by the shared services organizations as opposed to clients who are in control of budgets pertaining to shared services. It was determined that for 2002/03 it would be more useful to assess the satisfaction rating of clients. The intention is to survey both customers and clients in 2003/04.

One of the hallmarks of the shared services model is the focus on the client. The success of organizations that have moved to the shared services approach hinges on their ability to be client-centric and adjust their business strategies to meet client needs. In order to be able to assess client satisfaction over the coming years, the shared services organization conducted a client satisfaction survey in 2002/03 to establish a baseline. The survey was targeted at clients (senior staff in ministries whose budgets include funding to pay for the services provided) and represents responses to questions regarding satisfaction with value for money and quality of service. Of those who responded, 52.5 per cent indicated they were satisfied or very satisfied.

Over the coming year, the shared services organization will be moving to a more client-centered approach, including establishing a Customer Relationship Management model. It should be noted that this survey was conducted as services were in the midst of transitioning from ministries to the government's new shared services organization — Solutions BC.

Goal 2: Citizens of British Columbia have access to government when and how they need it

British Columbians increasingly expect government services to be accessible in-person, by mail, telephone and electronically. Connecting all government corporate service delivery programs promotes efficiency and accountability. In support of this goal, the planning for electronic and face-to-face services was brought together under the Ministry of Management Services on April 1, 2003. Combining the government's service channels under one ministry will allow it to act as a catalyst for change within government. Ministries will have the tools they require for common planning and solutions for service delivery. Citizens will benefit from innovative, cost-effective, coordinated service delivery.

Objectives:

- Provide British Columbians with accessible, convenient and secure "one-stop" online access to government services.

Core Business Areas:

- Procurement and Supply Services
- Corporate and Information Programs

Strategies:

- Develop the IT infrastructure to enable e-government
- Deliver Single-Window Gateway to make public access to government services more convenient
- Ensure BC Publications Index lists all publications
- Implement electronic system for searching legislation
- Improve the public's access to saleable surplus assets

The Ministry of Management Services 2002/03 – 2004/05 Service Plan identified the establishment of four baseline metrics for performance measures for Goal 2. These performance measures were in support of two identified strategies: developing the IT infrastructure needed to enable e-government; and the delivery of a Single-Window Gateway to enhance public access to government services. These performance measures were dependent on the creation of a Single-Window Gateway. Creation of the Gateway was temporarily put on hold pending a review of the business model, including technology and costs. As a result, establishing baselines has been deferred until the Single-Window Gateway is introduced. This will occur before the end of 2003/04.

In order to demonstrate the Ministry's support of Goal 2, the following new measures have been introduced. These measures link to strategies that are not connected with the Single-Window Gateway.

Performance Measure	2002/03 Target	2002/03 Actual	Variance
Number of government publications listed in BC Publications Index	Establish baseline	Baseline established at 7,197	None

The Publications Index provides quick and easy access to all Government of British Columbia publications. Creating access to as many government publications as possible is critical to ensuring government accountability and transparency. This year a baseline was established to determine the current number of publications on the Index. The total of 7,197 publications included the addition of over 500 links to the Publications site in January 2003 and represents approximately 90 per cent of government publications.

Performance Measure	2002/03 Target	2002/03 Actual	Variance
Number of concurrent user licences to QP LegalEze	Establish baseline	Baseline established at 272	None

The Ministry fulfilled its commitment to implement an electronic system for searching legislation with the launch of QP LegalEze. QP LegalEze is a web based subscription service that offers the legal community and other professionals complete and comprehensive access to British Columbia's legislation from the official source; authoritative Regulations; and quick search results. The creation of QP LegalEze increases public accessibility to all provincial statutes (currently over 500) through the public library system.

Free public access to QP LegalEze has been implemented in all BC public libraries and free campus-wide access has been implemented in seven post-secondary institutions as well as to law students and faculty at the Universities of Victoria and British Columbia. A subscription service is available to others who wish to access the service and revenue generated through these subscriptions subsidizes the free access sites. Increasing the subscription base will help move QP LegalEze towards a self-funding model. A baseline of the number of concurrent user licenses was established in 2002/03.

Goal 3: Government's procurement of goods and services is fair, open and competitive

Effective management of public resources and tax dollars requires that best value be obtained through open and competitive procurement, innovative management practices and reform of existing procurement legislation. Introduction of the new BC Bid system as a single one-stop window for suppliers to access public sector contract opportunities streamlines processes for buyers and suppliers, reduces paper and saves time.

Objective 1:

- Increase the total value of goods and services obtained through competitive procurement practices.

Core Business Areas:

- Procurement and Supply Services

Strategies:

- Develop legislation and policy for procurement reform
- Pursue new opportunities for volume purchase of goods and services
- Create private sector opportunities for the commercial use of government's intellectual property

Performance Measure	2001/02 Actual	2002/03 Target	2002/03 Estimated	Variance
Savings from centralized procurement activities	14.19%	10%	14.1%	Target Exceeded +41.0%

Procurement and Supply Services' management of centralized procurement activities for all of government is intended to provide partner organizations with high-quality services capable of generating significant cost savings. This measure encompasses both the efficiency of the centralized purchasing function as well as the total value of purchasing opportunities supported. Higher savings value indicates an improved ability to provide Ministry clients with increased value and competitive benefit in procuring goods and services. A standard industry methodology is used to calculate the savings on on-off goods purchases and draws on Master Standing Offers. A savings rate of 15 per cent on service acquisitions is considered the industry standard by the National Institute of Government Procurement.

- An estimated $18.72 million was saved on approximately $152.8[1] million goods purchased in 2002/03.
- An estimated $37.28 million or 15.2 per cent was saved on $245.8[2] million services purchased in 2002/03.

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[1] Actual figures are available for April 1, 2002 to December 31, 2002. Figures were extrapolated to reflect a full fiscal year.

[2] Actual figure is available for April 1, 2002 to December 31, 2002. Figure was extrapolated to reflect a full fiscal year and then normalized to reflect the weighting of a significant RFP.

- In total, an estimated $56.0 million was saved on the $398.6[1] million of goods and services purchased through Purchasing Services (14.1 per cent savings) in 2002/03. This figure does not include cost avoidance savings, which were included in last year's figure.

Performance Measure	2001/02 Actual	2002/03 Target	2002/03 Actual	Variance
Central procurement operational costs as a percentage of value of total goods and services purchased	0.93%	< 1%	0.73%	Target Exceeded +27%

This measure evaluates the efficiency of the government's central procurement services. The cost required to operate the procurement services is contrasted with the value of goods and services managed. The industry standard is that operational costs as a percentage of value of total goods and services purchased should be less than one per cent. A lower percentage indicates greater efficiency and cost-effectiveness in the delivery of procurement services. For 2002/03, the central procurement operational costs, as a percentage of total goods and services purchased, was 0.73 per cent, exceeding the industry target by 27 per cent.

Results provided by the measure assist the Ministry in monitoring the cost-effectiveness of its operations as well as ensuring transparency and accountability to the clients we serve.

- Total value of goods and services purchased through Purchasing Services was $398.6[1] million.
- Operating costs were $2.9 million and include salaries, benefits, travel, training, information technology and contractor support costs incurred by Purchasing Services to provide procurement services to government.

Performance Measure	2002/03 Target	2002/03 Actual
Percentage of suppliers who feel that government's procurement practices are fair	Establish baseline	Not measured

This performance indicator was not measured in 2002/03. In October 2002, responsibility for procurement governance was transferred to the Procurement Governance Office (PGO) in the Office of the Comptroller General. Discussions will take place with the PGO to determine the best way of assessing supplier satisfaction with procurement practices and the baseline will be established in 2003/04.

[1] Actual figure is available for April 1, 2002 to December 31, 2002. Figure was extrapolated to reflect a full fiscal year and then normalized to reflect the weighting of a significant RFP.

Objective 2:

- Increase opportunities for online procurement to save costs and maximize value.

Core Business Areas:

- Procurement and Supply Services

Strategies:

- Improve BC Bid system to function as a single-window electronic access point for public sector procurement
- Market BC Bid for use by the broader public sector
- Enhance the online system for master standing offers and seek other ways to increase use of electronic procurement

Performance Measure	2001/02 Actual	2002/03 Target	2002/03 Actual	Variance
Number of government opportunities released through BC Bid	3,007	+ 10%	4,046	Target Exceeded + 24%

The new BC Bid system was implemented in February 2003, enabling two-way electronic bidding — a major step towards a fully integrated and paperless procurement, payables and payment process.

BC Bid is a one-stop window for suppliers to access public service procurement opportunities. The number of procurement opportunities posted on BC Bid by ministries increased 34.6 per cent to 4,046 bid notices in 2002/03 from 3,007 bid notices in 2001/02.

Performance Measure	2001/02 Actual	2002/03 Target	2002/03 Actual	Variance
Number of public sector agencies utilizing the BC Bid System	66	+ 20%	166	Target Exceeded + 131%

Public sector agencies include Crown corporations, municipalities, academic institutions, school boards and health authorities that are registered to use BC Bid and posted at least one notice during the year.

The number of procurement opportunities posted on BC Bid by these other public sector agencies increased 151 per cent in 2002/03 from 66 to 166. The large increase in usage is attributable to a significant rise in the number of local government, post-secondary institutions and school districts posting bids on the site.

Goal 4: Public has confidence in the way government and regulated bodies manage the information they hold

To improve privacy protection, increase openness and accountability, and reduce overall compliance costs, amendments were made to the *Freedom of Information and Protection of Privacy Act* (FOIPP Act).

In the Spring of 2002, changes were made to allow the Information and Privacy Commissioner more flexibility in meeting operational responsibilities; to clarify the definitions of "personal information" and "days"; to provide the ability to disregard frivolous and vexatious requests; as well as other amendments.

In the Spring of 2003, additional amendments were made to the FOIPP Act to improve privacy protection by extending the privacy provisions of the legislation to include records that may not be in a public body's custody, but are under its control; to clarify the requirements regarding notification for the indirect collection of personal information; and to ensure the protection of solicitor-client privilege for records provided to the Information and Privacy Commissioner.

In response to privacy concerns and to support e-commerce within British Columbia, as well as internationally, significant progress has been made in preparing Personal Information Protection legislation. This legislation will protect British Columbian's personal information held by the private sector.

Objectives:

- Information is managed in a transparent, accountable and secure manner.

Core Business Area:

- Corporate and Information Programs

Strategies:

- Review and amend the *Freedom of Information and Protection of Privacy Act* (FOIPP Act)
- Develop privacy legislation for the private sector
- Improve information management

Performance Measure	2002/03 Target	2002/03 Actual
Percentage of stakeholders who are satisfied with the FOIPP process	Establish baseline	Not measured

This measure was not applied in 2002/03 due to the fact that the determination of satisfaction was influenced by factors outside the control of the Ministry. Each Ministry receives and processes FOI requests directly. As a result, processes may vary from Ministry to Ministry and consequently any measures and determination of satisfaction would also vary. The performance measure has been redefined for 2003/04.

Goal 5: To be a high performing organization

Achievement of the Ministry's goals requires an innovative, responsive and healthy organization. In order to build organizational capacity to deliver services, the Ministry is developing its workforce and fostering a healthy workplace. In achieving these goals, the Ministry is committed to measuring its performance and ensuring proper accountability to the Legislature, clients and the public.

Objective 1:

- Enhance Ministry capacity to accommodate workforce adjustment and staff retirement trends.

Strategies:

- Develop an annual corporate human resource plan that accommodates government priorities
- Develop and maintain workforce adjustment and succession plans for all critical positions

Core Program Area:

- Corporate and Ministry Support Services

Performance Measure	2002/03 Target	2002/03 Actual	Variance
Percentage of critical positions with current competency profiles and succession plans in place	Establish baseline	Baseline established at 17%	None

The Ministry of Management Services recognizes that our staff provides the foundation for our ability to provide high-quality and cost-effective services. We remain committed to the development of staff competencies and skill sets that contribute both to enhanced job satisfaction and improved organizational performance.

For 2002/03, a baseline of the number of critical positions with current competency profiles and succession plans was established. Thirty critical positions were identified and five succession plans were in place with accompanying competency profiles. Succession planning for critical positions will continue to be a priority of the Ministry as a vital strategy to identify and cultivate our future leaders and ensure organizational capacity.

Objective 2:

- Build essential internal competencies and skill sets to meet current and future Ministry business requirements.

Strategies:

- Provide training information to employees
- Co-ordinate staff training resources
- Formal and informal learning needs are identified and discussed with individual employees and are linked to branch learning plans and the Strategic Framework for Training and Development

Core Business Area:

- Corporate and Ministry Support Services

Performance Measure	2001/02 Actual	2002/03 Target	2002/03 Actual	Variance
Average number of training hours per employee	12.2	14	14.52	Target Exceeded +.52

In support of building core competencies, the Ministry measures the resources provided to training and development initiatives. A greater number of training hours are indicative of an enhanced commitment to employee professional development and capacity building.

The performance information for this measure was developed from historical data for 2001/02. The target for 2002/03 was set at an average number of 14 hours per employee. The actual result was higher than the target at an average of 14.52 hours per employee. Data on the average number of training hours for all government ministries is not available. However, this figure compares favourably with those ministries for which data does exist. The Ministry has focused upon developing and delivering cost-effective internal training for employees. The courses and workshops provided reflect a broad range of skills and competencies that address opportunities for enhanced personal and organizational performance.

Objective 3:

- Link employee activities and performance to the achievement of the Ministry's goals.

Strategies:

- Staff are oriented on the Ministry Service Plan
- Develop individual employee performance plans
- Provide employees with an understanding of their role within the Ministry's Service Plan and its linkage to their performance plan
- Provide employees with feedback on their performance and the performance of the Ministry

Core Business Area:

- Corporate and Ministry Support Services

Performance Measure	2002/03 Target	2002/03 Actual	Variance
Percentage of staff who understand how their work contributes to the achievement of Service Plan performance targets and the success of the Ministry	Establish baseline	Baseline established at 36%	None

Understanding how the work staff undertakes contributes to the Service Plan performance targets and having a clear understanding of what they are expected to achieve, is important to the overall success of the Ministry.

This year, the Ministry of Management Services conducted an Employee Survey to establish a baseline for this measure. The survey was conducted in December 2002 with a response rate of 55 per cent. Of the employees who responded, 36 per cent were satisfied that they understand how their work contributes to the achievement of the Service Plan performance targets and the success of the Ministry. The survey was conducted during a time when the Ministry was undergoing significant restructuring and change. A key strategy to address this area is through the use of Employee Performance and Development Plans (EPDPs). In 2003/04, 100 per cent of management staff will be required to have completed EPDPs.

Objective 4:

- Provide a workplace that fosters employee well-being and professional development.

Strategies:

- Investigate opportunities to expand employee recognition programs
- Explore use of Organizational Health and Wellness Inventories

Core Business Area:

- Corporate and Ministry Support Services

Performance Measure	2002/03 Target	2002/03 Actual	Variance
Percentage of staff satisfied with their employment with the Ministry	Establish baseline	Baseline established at 67%	None

The Ministry of Management Services experienced a high degree of change in 2002/03 with the move of a large part of the organization to a shared services model. Again, the Employee Survey was used to baseline employee satisfaction. Of the employees who responded, 67 per cent indicated they were satisfied with their employment with the Ministry. The survey provided useful information, as staff identified areas where they felt improvements could be made to increase satisfaction.

Prior to conducting the 2002 employee survey, the Ministry held a number of open house forums. The purpose of these forums was to engage all Ministry staff in identifying which human resource strategies were most important to them. The top-ten identified strategies then formed the basis for the development of a Ministry *People Strategy*. A plan is now underway to address these areas as well as those identified in the employee survey.

Deregulation

Management Services conducted a deregulation review of its existing legislation in late 2001. As directed by Cabinet on July 10, 2002, the Ministry established performance targets to demonstrate how its deregulation commitments would be met by June 2004.

In accordance with the Key Projects outlined in the *Premier's Letter to the Minister of Management Services*, which instructed the Minister "to review the Information and Privacy legislation to increase openness in Government and to reduce compliance costs", a comprehensive review of the *Freedom of Information and Protection of Privacy Act* (FOIPP Act) was conducted to recommend possible ways of eliminating unnecessary regulation. The review identified that most of the regulatory requirements in the FOIPP Act do not affect the general public and that the regulatory requirements for Government officials are intended to ensure the rights and interests of the public are safeguarded. Elimination of these regulations could have consequences contrary to one of the key principles of the deregulation initiative, which is to make it easier and less expensive for the general public to deal with government. As a result, it has been determined that — although the FOIPP Act contains the majority of the Ministry's regulatory requirements — only a small number can be eliminated. However, action has been taken to amend the FOIPP Act to improve privacy protection, increase openness and accountability, and reduce overall compliance costs.

In the Spring 2003 legislative session, the government introduced the *Personal Information Protection Act* to protect the personal information of British Columbians held by the private sector. The Act covers BC businesses not federally regulated and allows a privacy regime to be developed in cooperation with the private sector that is plain language and "regulation light". Extensive stakeholder consultations have confirmed that a provincial Act can reduce regulation in some areas and clarify regulatory requirements where regulation is needed. While the end result will be an increase in regulation with respect to the use of personal information in the private sector, consultations have confirmed that this is the preferred approach. This new legislation will provide British Columbia businesses (those not federally regulated) with the necessary foundation in privacy protection to enable them to compete in the global e-commerce economy.

Also in the Spring 2003 legislative session, the government introduced a new *Procurement Services Act*. The Act replaces an outdated *Purchasing Commission Act*, and enables Solutions BC to provide best practices procurement services to ministries and other participating public sector agencies. In keeping with the spirit of deregulation, the new Act does not contain any regulatory requirements. This new legislation represents an important step toward Procurement Reform, an initiative designed to develop the capacity within government to achieve fair and open results-focused procurement.

Deregulation Initiatives

Target Description	Baseline	Target for 2002/03	Actual for 2002/03	Variance
Ministry Regulatory Requirements	673	< 26	26	Target met
Major Regulatory Reviews to be completed		New procurement legislation	Legislation did not contain regulations	None

As the new *Procurement Services Act* does not contain any regulatory requirements, no regulatory review was undertaken.

Report On Resources

Resource Summary

2002/03 Resource Summary by Core Business Structure

	Estimated	Other Authorizations	Total	Actual	Variance
Operating Expenses ($000)					
Procurement and Supply Services[1]	2,890		2,890	2,420	470
Common Information Technology Services[2]	4,179		4,179	4,175	4
Corporate and Ministry Support Services[3]	17,646		17,646	16,457	1,189
Corporate and Information Programs	8,745		8,745	8,802	(57)
One Time Operating Funding[4]	1,301		1,301	2,024	(723)
Protected Funding[5]	3,810		3,810	3,626	184
Total	**38,571**		**38,571**	**37,504**	**1,067**
Full-time Equivalents (FTEs)					
Total	**1,139**	**—**	**1,139**	**1,279**	**(140)**
Ministry Capital Expenditures (CRF) ($000)					
Total	**26,300**	**—**	**26,300**	**20,384**	**5,916**

[1] Includes Procurement Services sub-vote and Product Sales and Services vote;
[2] Includes gross Government Initiatives and Common Information Technology Services sub-votes;
[3] Includes Minister's Office, Corporate Services and Public Service Appeal Board sub-votes;
[4] Includes One Time Operating Funding for Shared Services implementation; and,
[5] Includes Protected Funding for Government House $1,548 and Enquiry BC $2,262.

This Resource Summary captures the operating and capital expenditures of the Ministry of Management Services in 2002/03. The resources were used to support the goals of the Ministry, primarily the creation of a shared services organization for government.

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2002/03 Resource Summary Mirroring the *Estimates* Vote Structure

	Estimated	Other Authorizations	Total	Actual	Variance
Operating Expenses ($000)					
Minister's Office	478	—	478	264	214
Corporate Services	16,730	—	16,730	15,937	793
Shared Services	1,301	—	1,301	2,024	(723)
Procurement Services and Government House	4,437	—	4,437	4,091	346
Public Service Appeal Board	438	—	438	256	182
Corporate and Information Programs	11,007	—	11,007	10,888	119
Corporate Applications	4,178	—	4,178	4,051	127
Common Information Technology Services	1	—	1	124	(123)
Total Vote 34 Ministry Operations	**38,570**	**—**	**38,570**	**37,635**	**935**
Total Vote 36 Product Sales and Services	**1**	**—**	**1**	**(131)**	**132**
Total (Excludes PSERC)	**38,571**	**—**	**38,571**	**37,504**	**1,067**
Full-time Equivalents (FTEs)					
Minister's Office	8		8	3	5
Corporate Services	144		144	122	22
Shared Services	9		9	74	(65)
Procurement Services and Government House	44		44	53	(9)
Public Service Appeal Board	4		4	3	1
Corporate and Information Programs	137		137	132	5
Corporate Applications	41		41	27	14
Common Information Technology Services	357		357	502	(145)
Total Vote 34 Ministry Operations	**744**	**—**	**744**	**916**	**(172)**
Total Vote 36 Product Sales and Services	**395**	**—**	**395**	**363**	**32**
Total (Excludes PSERC)	**1,139**	**—**	**1,139**	**1,279**	**(140)**

	Estimated	Other Authorizations	Total	Actual	Variance
Ministry Capital Expenditures (CRF) ($000)					
Minister's Office	21	—	21	13	8
Corporate Services	2,089	—	2,089	111	1,978
Shared Services	—	—	—	1,117	(1,117)
Procurement Services and Government House	129	—	129	572	(443)
Public Service Appeal Board	15	—	15	—	15
Corporate and Information Programs	589	—	589	95	494
Corporate Applications	493	—	493	3	490
Common Information Technology Services	20,566	—	20,566	16,641	3,925
Total Vote 34 Ministry Operations	**23,902**	**—**	**23,902**	**18,552**	**5,350**
Total Vote 36 Product Sales and Services	**2,398**	**—**	**2,398**	**1,832**	**566**
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